

April 27, 2012

To: Executive Board

Subject: **Contract Award – Operations and Maintenance – Arcadia Facility**

Recommendation

Authorize the Executive Director to negotiate final contract terms and conditions and award a contract to First Transit, Inc. for transit operations and maintenance services at Foothill Transit's Arcadia facility. The base contract term will be four years and the contract will include three two-year options to be exercised at Foothill Transit's sole discretion. The projected four-year base contract cost is \$98.3 million and the cumulative cost over the potential life of the contract is projected at \$259.8 million.

Analysis

MV Transportation currently provides operations and maintenance services for 121 CNG buses and 23 diesel buses operating out of Foothill Transit's facility in Arcadia. All of the optional extensions of the contract have been exercised and the current agreement will terminate on June 30, 2012.

Foothill Transit issued Request for Proposals (RFP) No. 12-002 on November 29, 2011 for the operation of transit services for the Arcadia facility. As directed by the Executive Board this RFP contained several changes to the procurement documents previously used including: (1) invoicing based on a combination of a fixed monthly fee and a variable rate per revenue mile operated; (2) performance measurement and invoicing based on systemwide data collected from Foothill Transit's SMART*Bus* system; (3) emphasis on the proposer's approach to managing key cost drivers and (4) clarifications to the performance requirements and vehicle and fleet condition and maintenance requirements.

On January 25, 2012, proposals were received in response to the RFP from First Transit, Inc., McDonald Transit, Keolis Transportation and MV Transportation. Each firm's Prequalification submittals were evaluated by a Prequalification Evaluation team comprised of three of Foothill Transit's management contract staff and Foothill Transit's Special Legal Counsel.

Subsequently, the technical evaluation committee, consisting of five of Foothill Transit's management contract staff and one outside representative, reviewed the technical proposals. Each technical proposal was evaluated based on the following criteria and weighting:

Technical Qualifications (weighted 60 percent of Overall Score)

- Management and Technical Competence (25 percent)
- Operations and Maintenance Capability and Experience (25 percent)
- Approach to Key Cost Drivers (15 percent)

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- Quality of Staffing Plan and Training Plan (12.5 percent)
 - Quality of Maintenance Plans and other Plans and Submittals (12.5 percent)
 - Financial Viability (10 percent)*
- * Financial Viability was also evaluated as part of the Prequalification Evaluation Process

Price (weighted 40 percent of Overall Score) was scored as follows:

$$\text{Proposer's Price Score} = \frac{\text{Lowest Price}}{\text{Proposer's Price}} * 100 \text{ Points}$$

Overall pricing for each contractor was determined primarily by their stated fixed monthly fee, their stated rate per revenue mile by route, and the number of revenue miles by route as indicated in the RFP. In addition, each firm proposed their startup costs and separate costs per hour for Extra Work and for Special Services such as Rose Bowl and Hollywood Bowl service and those were factored into their overall pricing using the projected number of annual hours in each category.

All four companies were determined to be within the competitive range and interviews were conducted allowing each firm to clarify and expand on their written proposal and respond to questions from the evaluation team. Official invitations to submit Best and Final Offers were then sent to the proposers. After the evaluation committee reviewed and scored the Best and Final Offers, First Transit's proposal was ranked highest with an overall score of 94.65 out of a possible 100 points. A summary of the final scores is provided below.

Evaluation Factors	Maximum Score	Proposer			
		First	McDonald	MV	Keolis
1. Management and Technical Competence	25	22.42	21.08	23.75	22.17
2. Capability and Experience	25	23.17	20.83	23.25	19.78
3. Approach to Key Cost Drivers	15	13.95	12.53	13.55	12.53
4. Quality of Staffing Plan and Training Plan	12.5	11.36	11.02	11.44	10.77
5. Quality of Maintenance Plans and Other Plans and Submittals	12.5	11.19	11.17	11.67	10.91
6. Financial Viability	10	9.00	10.00	10.00	10.00
Technical Points	100	91.09	86.63	93.66	86.16
Technical Score (= 0.6 x Technical Points)	60	54.65	51.98	56.20	51.70
Price Points	100	100.00	94.20	77.78	85.75
Price Score (= 0.4 x Price Points)	40	40.00	37.68	31.11	34.30
Overall Score	100	94.65	89.66	87.31	86.00

As shown above, First Transit was ranked highest by the evaluation committee. The team proposed by First Transit will be a new team to the Foothill Transit family. Similar to First

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Transit's proposal for the Pomona services contract, a number of enhancements beyond the current contract requirements were included. Among these is the installation of the DriveCam 3 system to monitor coach operator performance specifically in the areas of safety and fuel efficiency. One innovative aspect of this proposal is First Transit's guarantee of \$120,000 in annual fuel cost savings from implementation of DriveCam 3 compared to current baseline fuel consumption. This agreement will also include incentives for performance that surpasses Foothill Transit's on-time performance, customer service and maintenance standards.

Subject to the Executive Board's approval, final contract terms and conditions will be negotiated with the successful proposer. The start-up date for services under the new contract will be July 1, 2012.

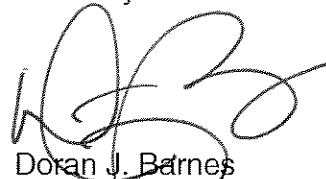
Budget Impact

In accordance with the conditions of the RFP, First Transit's rates are fixed until June 2013. In subsequent years, contract rate increases will be the lesser of First Transit's proposed rate increase or CPI. Foothill Transit's draft Business Plan includes funding for the operation of transit services through June 2013. Funding for operations and maintenance of Foothill Transit's Pomona fleet and facility will be programmed into each year's Business Plan.

Sincerely,



Rashidi Barnes
Director of Procurement



Doran J. Barnes
Executive Director